



State of Utah

Department of Natural Resources

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July 11, 2005

Ken May, General Manager
Canyon Fuel Company, LLC
397 South 800 West
Salina, Utah 84654

Subject: Midterm Permit Review, Canyon Fuel Company, LLC, SUFCO Mine,
C/041/0002, Task ID #2068, Outgoing File

Dear Mr. May:

As you are aware, the Division initiated a midterm permit review for the SUFCO Mine on November 18, 2004 in accordance with the requirements of R645-303-211. The Midterm Review for the SUFCO Mine has been completed and deficiencies have been recognized in certain areas. Before the Division can complete the review process, the Permittee must address the deficiencies in a satisfactory manner. The items that were chosen for review encompass the following:

1. An AVS check to ensure that Ownership and Control information is current and correct.
2. A review to ensure that the Plan has been updated to reflect changes in the Utah Coal Regulatory Program, which have occurred subsequent to permit approval (One area of emphasis is to ensure compliance with the U. S. Fish and Wildlife Windy Gap Process).
3. A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee initiated plan changes are appropriately incorporated into the plan document.
4. A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.

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5. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.
6. A review of the MRP commitments for the subsidence control/monitoring plans and reporting requirements.
7. The Division may conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.

The following attachment contains a list of eleven deficiencies that have been identified by the Division review staff. Each identified R645 coal rule and its requirement(s) must be addressed in order to bring the SUFCO permit into compliance. Please address these deficiencies by September 5, 2005. If you, or any of your staff, have questions, please do not hesitate to call me at (801) 538-5286 or Peter Hess at (435) 613-1146 x 203. Thank you.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

PHH/sd
Enclosure
cc: Price Field Office
O:\041002.CON\FINAL\WG2068\DEF2068.DOC

Deficiency List

Task ID #2068

R645-301-121.100, •An As-Built of the Link Canyon topsoil stockpile (Section 2.3.1.1) should be produced illustrating the stockpile configuration and providing “as built” salvaged volumes. • In addition, the plan should be revised where necessary if Oregon grape cuttings were not salvaged for planting on the stockpile as described on page 2-19 and 2-13. Protection by Oregon grape described on page 2-24 should be verified. •Recent work conducted on the topsoil stockpiles (Inspection Report June 6, 2003) should be described in the MRP, including roughening techniques, mulch and seed list, and dates of work. (PWB)

R645-301-121.100, Section 3.3 and Map 4 of Volume 3 should be revised to illustrate the current status of reclaimed, active and topsoil salvage areas at the refuse site. The current volume of waste stored at the refuse site to date must also be indicated. (PWB)

R645-301-121.100, Current volume of waste stored at the refuse site should be included in the MRP. The Division requests that the quarterly waste rock information be included with the annual report so that it can be quickly accessed. (PWB)

R645-301-121.200, The Permittee must state in the MRP: • when (specific years) the color inferred aerial photographs will be taken, • the location of where the color inferred aerial photographs can be found • when (specific years) the bi-annual monitoring program for the West Fork of Box Canyon will be preformed and • where the information from the bi-annual monitoring program for the West Fork of Box Canyon can be found. (WHW)

R645-301-333, Provide all equations and justifications with supporting documentation leading to the overall sum of water depletions or additions for all mining operations and explorations projects including dust control in the MRP section R645-301-333. (JAE)

R645-301-731.211, -751, Text in Section 7.2.8.3 PHC Determination, Sediment Yield, needs to be updated with the TSS limits for 7-day and 30-day average discharge (p. 7-28). (SMF)

R645-301-742.200, A review of the ASCA list in Section 7.4.2, Sediment Control Measures, of the MRP revealed three ASCA descriptions that need updating: 1) the topsoil stockpile near the mine site sediment pond (ASCA #2) should also note containment berms as part of the sediment control; 2) the 4 East portal site (ASCA #8) should also note gravel as part of the sediment control; and 3) the Link Canyon Substation #1 facility (ASCA #9) should note that the facility has been reclaimed and that sediment control consists of containment berms, silt fencing, and vegetation (no gravel). (SMF)

R645-301-742.300, The diversion ditch list in Section 7.3.2.3, Diversions, describes two diversion ditches in Link Canyon for the reclaimed Substation No. 1 ditch and road swell. These two ditch descriptions need to be updated to reflect the reclaimed status of the Substation No. 1 area. (SMF)

R645-301-742.300, The culvert description list in Section 7.4.2.3 is missing the culverts for the East Spring Canyon and Mud Spring Hollow bypass system. These culverts need to be added to the list to be complete. (SMF)

R645-301-742.300, Section 7.4.2.3, Diversions, General Requirements, discusses drainages and diversions within the permit area. Drainage areas and diversions for the Link Canyon facilities are referenced to Plate 5-2D in this section. However, Plates 5-2E and 5-2F have been added to the MRP for the Substation No. 2 and the Link Canyon portal surface facilities, respectively. These plates also need to be referenced in Section 7.4.2.3. (SMF)

R645-301-830.140, The Permittee must give the Division updated copies of the detailed reclamation cost estimate. The Division will give the Permittee copies of the updated reclamation cost estimate upon request in either paper or electronic format. (WHW)